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DORGAN VOTES TO ABOLISH ESTATE TAX FOR FAMILY FARMS AND SMALL BUSINESSES, BUT OPPOSES REPEALING IT FOR WEALTHIEST ESTATES

(WASHINGTON, D.C.) — U.S. Senator Byron Dorgan (D-ND) voted Thursday to exempt family farms and family businesses valued up to \$8 million from the estate tax. That plan was defeated, however, when Senate Republicans insisted on a complete estate tax repeal which would eliminate the estate tax entirely, even for the largest estates in America. President Clinton has said he will veto the Republican proposal, which was approved Friday, because it provides the bulk of its tax relief to the wealthiest estates.

"We ought to free family farmers and family-owned small businesses from the crippling burden of estate taxes," Dorgan said following the vote, "but I do not support giving huge tax cuts to estates with hundreds of millions or even billions of dollars."

"The tax breaks given to the wealthiest families in the Republican plan could be better used to reduce the federal debt, provide a middle income tax cut, add a prescription drug to the Medicare program or a number of other things I think would strengthen our country," Dorgan said.

About 2 percent of estates pay estate taxes today, since current law exempts the first \$1.35 million (per couple) of an estate's value from the tax. Under the plan Dorgan backed, that exemption would be raised to \$4 million (per couple) by the year 2010 and \$8 million (per couple) for those who pass a farm and business to their heirs.

Dorgan noted that half the total tax break included in the GOP plan would go to the top 3,000 largest estates, or about 1/10th of one percent of all estates in America. "I don't think shielding billionaires from estate taxes ought to be our top priority. There are much more sensible uses for this budget surplus," Dorgan said, "including paying down the debt, strengthening education, helping family farmers, or adding a prescription drug benefit to the Medicare program."

"I hope at the end of the day, Democrats and Republicans can agree that a \$4 million estate tax exemption for all estates and an \$8 million estate tax exemption for family farmers and small businesses are things that we can do together and in a bipartisan way," Dorgan said.

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